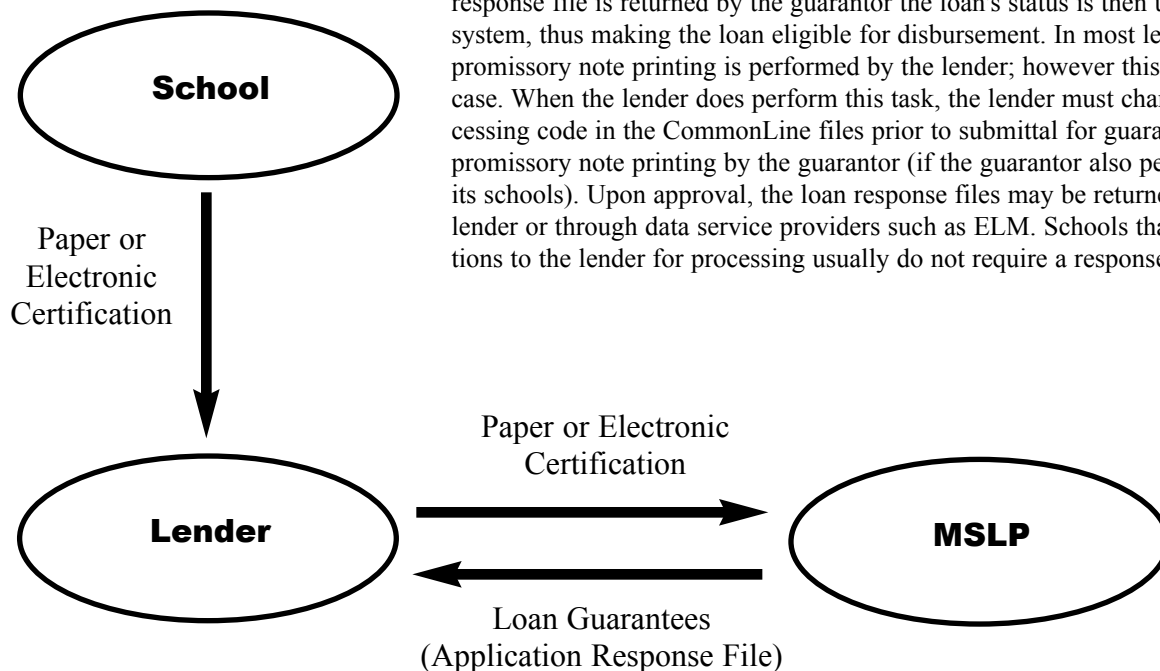
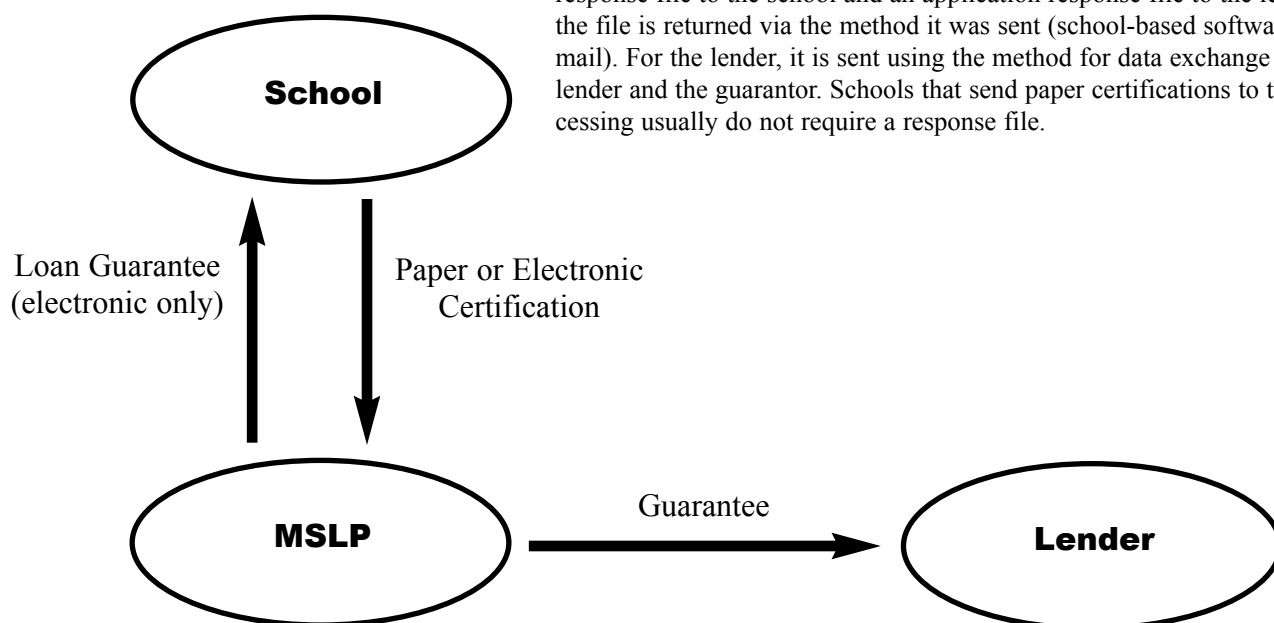


Lender Flow



In a traditional lender flow processing scheme, the school generates CommonLine application send files and submits them to the lender for submittal to the guarantor for approval or the school may send paper school certification forms to the lender for data entry and submittal for guarantee. In some lender flow schemes, this may also be performed by a servicer on behalf of the lender. Some lenders use the CommonLine application send file to create a preliminary loan record on its loan origination system. When the application response file is returned by the guarantor the loan's status is then updated on the lender's system, thus making the loan eligible for disbursement. In most lender flow processes, promissory note printing is performed by the lender; however this may not always be the case. When the lender does perform this task, the lender must change the application processing code in the CommonLine files prior to submittal for guarantee to prevent duplicate promissory note printing by the guarantor (if the guarantor also performs this service for its schools). Upon approval, the loan response files may be returned to the school from the lender or through data service providers such as ELM. Schools that send paper certifications to the lender for processing usually do not require a response file.

Guarantor Flow



In a guarantor flow, the school submits CommonLine application send files to the guarantor via school-based software products like e*CLIPS or data service providers such as ELM. Schools may also send paper school certification forms to the lender for data entry to guarantors who offer that service to its clients. In a guarantor flow scenario, the promissory note is usually printed by the guarantor. In cases where the lender is printing the note or for an e-sign note, the school submits their records as "guarantee-only" to prevent duplicate promissory note printing. Upon approval, the guarantor will then return an application response file to the school and an application response file to the lender. For the school, the file is returned via the method it was sent (school-based software, FTP, or POP3 e-mail). For the lender, it is sent using the method for data exchange set up between the lender and the guarantor. Schools that send paper certifications to the guarantor for processing usually do not require a response file.